



# Daily Bond Auction Preview

22nd February 2023

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Previews of UK, EU and US government bond auctions including the size of issuance, time of the auction(s), estimates, redemptions, coupons and analyst commentary.

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## PREVIEW: Italy to sell EUR 3.25-3.75bln 3.40% 2025 BTP Short Term & EUR 1.0-1.5bln 0.10% 2033 I/L

### Auction History

- 3.40% 2025 BTP Short Term: No comparable data
- 0.10% 2033 I/L: b/c 1.42x & real yield 2.03%

*Note, bids are submitted by the 10:00GMT bidding deadline, results due shortly afterwards.*

## PREVIEW: UK to sell GBP 2.0bln 1.50% 2053 Green Gilt

### IFR Analysis:

- Syndication was solid.
- Since then, some modest natural concession has occurred with strong curve inventive also seen.
- Concession, institutional support and the more diverse Green investor base should result in a solid sale.
- DMO returns on March 1st with Green 2038 and thereafter with an I/L.

### Auction History

- 1.50% 2053 Gilt: Syndication saw GBP 6bln sold, order book over GBP 65bln and yield 3.7233%.

*Note, bids are submitted by the 10:00GMT bidding deadline, results due shortly afterwards.*

## PREVIEW: Germany to sell EUR 5.0bln 2.30% 2033 Bund

### IFR Analysis:

- Competing supply is an issue, particularly as the 2033 follows Tuesday's well received 2028 Bobl.
- With the 10yr yield near the end-2022 2.57% high the market is at its cheapest since 2011.
- On a cross market basis, the Bund is little changed vs OATs though cheaper than Dutch peers while they trade richer vs Gilts and notably so to USTs.

### Auction History

- 2.30% 2033 Bund: b/c 1.50x, average yield 2.27% & retention 19.6%

*Note, bids are submitted by the 10:30GMT bidding deadline, results due shortly afterwards.*

## PREVIEW: US to sell USD 43bln 5yr Note

### US 2-YEAR NOTE RESULTS:

- High Yield: 4.673% (prev. 4.139%)
- Tail: 0.3bps (prev. -1.3bps, six-auction avg. 0bps)



- Bid-to-Cover: 2.61x (prev. 2.94x, six-auction avg. 2.65x)
- Dealers: 15.0% (prev. 16.3%, six-auction avg. 20.9%)
- Directs: 23.0% (prev. 18.7%, six-auction avg. 21.2%)
- Indirects: 62.0% (prev. 65.0%, six-auction avg. 57.9%)

#### US 5-YEAR NOTE AUCTION RECENT HISTORY:

- High Yield: (prev. 3.53%, six-auction average 3.855%)
- Tail: (prev. -2.4bps, six-auction avg. 0.2bps)
- Bid-to-Cover: (prev. 2.64x, six-auction avg. 2.42x)
- Dealers: (prev. 8.8%, six-auction avg. 16.6%)
- Directs: (prev. 15.4%, six-auction avg. 17.5%)
- Indirects: (prev. 75.7%, six-auction avg. 65.9%)

#### US 7-YEAR NOTE AUCTION RECENT HISTORY:

- High Yield: (prev. 3.517%, six-auction average 3.730%)
- Tail: (prev. -2.1bps, six-auction avg. -0.1bps)
- Bid-to-Cover: (prev. 2.69x, six-auction avg. 2.52x)
- Dealers: (prev. 6.1%, six-auction avg. 13.1%)
- Directs: (prev. 16.8%, six-auction avg. 18.8%)
- Indirects: (prev. 77.1%, six-auction avg. 68.1%)

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